

**HEARING AID DISPENSERS BUREAU**

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## Three-Day Cancellation Requirements for Out-of-Office Sales

Sections 1689.5 through 1689.7 of the California Civil Code state that transactions in an amount over \$25 that are made outside the office at "other than appropriate trade premises" are subject to the following requirements:

- The purchase agreement used in out-of-office sales must be written in the same language used in the oral sales presentation.
- The following paragraph must appear on the purchase agreement:

"You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."

- The prescribed language must appear on the first page of the document, next to the space provided for the buyer's signature in at least 10-point bold type.
- In addition to the written notification prescribed above, the seller must verbally advise the purchaser of his or her right to cancel the order.

### **What is a Location "Other than Appropriate Trade Premises?"**

"Appropriate trade premises" means a site where the dispenser normally conducts business. Thus, any location outside your office, branch office, or mobile office, is considered a location other than an "appropriate trade premises." Examples include hospitals, nursing homes, group residences, schools, and private homes and apartments. Hearing aid transactions that occur at any such location are subject to the requirements of Sections 1689.5-1689.7.

### **Notice of Cancellation**

A notice of cancellation form to be used by the purchaser should he or she wish to cancel the order, must accompany the purchase agreement. It must be:

- A two-part form designed to be completed in duplicate so that the buyer may retain a copy when cancelling.
- Headed "Notice of Cancellation."
- Printed in at least 10-point bold type.
- Written in the same language used in the sales presentation.

## The Form

The law specifies that the notice of cancellation form be as follows:

"Notice of Cancellation"	
<div></div> <div>(Date of transaction)</div>	
<p>You may cancel this transaction, without any penalty or obligation, within three business days from the above date.</p>	
<p>If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.</p>	
<p>If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.</p>	
<p>If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.</p>	
<p>To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram to</p>	
<div></div> <div>(Name of seller)</div>	<div>at</div> <div></div> <div>(Address of seller's place of business)</div>
<p>not later than midnight of <div></div>.</p> <div>(Date)</div>	
<p>I hereby cancel this transaction <div></div>.</p> <div>(Date)</div>	
<div></div> <div>(Buyer's signature)</div>	